

[Redacted]
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4 MAY 1963

MEMORANDUM FOR: Director, National Reconnaissance Office

SUBJECT: Management of NRO Contracts for Photographic Film, Equipment and Processing

REFERENCES: A. Memo for ND/NRO from D/NRO, dtd 26 Apr 63,
25X1A Some Subject [Redacted]

B. Memo to D/NRO from ND/R, Subj: Control of
25X1A Research and Development Efforts at Eastman
Kodak [Redacted]

1. I share in your desire for sound management control of our photographic contracts, as I do for all of our contracts. I am at a loss, however, over any action concerning the management of these contracts. The NRO Comptroller speaks of a [Redacted] 25X1A
overrun, yet an itemization of our NRO photographic contracts as set forth below readily demonstrates that we are well within our programmed amounts.

| Contract No. | Photographic Area | Approved Program | Required Funding thru FY 1963 |
|--------------------------|---|------------------|-------------------------------|
| 25X1 NRO [Redacted] 1800 | Processing at IRI and Move to "X" Facility | [Redacted] | [Redacted] |
| 25X1 NRO [Redacted] 47 | Film, Paper and Chemicals (U-2) | | |
| 25X1 NRO [Redacted] 1500 | Film, Paper and Chemicals (CORONA, ARCON, ORIENT) | | |

Carried forward

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NRO review(s)
completed.

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| <u>Contract No.</u> | <u>Photographic Area</u> | <u>Approved Program</u> | <u>Required Funding Thru FY 1963</u> |
|---------------------|-------------------------------|-------------------------|--------------------------------------|
| | Brought forward | | |
| EG-400 | Required hardware fabrication | | |
| RD-X-63 | R&D Contract at EK | | |
| | TOTALS | | |

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In order to assure that the Comptroller, NRO, was well aware of the itemized breakdown of our financial status, we provided him with a Status of Funds Report for the period ending 31 December 1963 under [redacted]. The Comptroller will note from that report that the programmed amount for photographic material and processing totaled [redacted]. We have been able to manage our funding within this programmed amount, which was the same amount presented to [redacted] last year when OSA justified to him our operational program for the NRO.

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2. I would also like to call to your attention that the projected funding within the programmed amounts includes approximately [redacted] which was spent in direct support of [redacted] for Operation BRASS KNOB. As agreed by the D/NRO, 15 per cent of I-MF-47 covers the procurement of film, paper and chemicals in support of the Air Force DRAGON LADY Program. In effect then, none of the NRO contracts stated above involve non-NRO work except those authorized by the NRO itself. In two isolated instances, [redacted] for repair and overhaul of a flexowriter at NRO was taken from [redacted] 1800, and an additional [redacted] was used for the procurement of spare parts in behalf of the 67th RT3. These errors were corrected, however, when called to the Contract Officer's attention by the NRO Comptroller.

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NRO 25X1
25X1 NRO

3. I am confident that there are no deficiencies in the management of our photographic contracts. I do feel, however, that a great deal of misunderstanding which prompts the likes of referenced memoranda could be avoided with a closer working relationship at a lower level. Items such as this could have been readily explained had the Comptroller sought to do so at his level rather than refer the matter to you. Rather than continue this battle of papers, I suggest that

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we get the interested parties from the Pentagon and CIA in conference and work out a program for utilizing all of our photographic contracts for the benefit of the IIR.

Signed Herbert Scoville, Jr.

HERBERT SCOVILLE, JR.
Deputy Director
(Research)

SIGNATURE RECOMMENDED:

JACK C. MEDFORD
Colonel, USAF
Assistant Director
(Special Activities)

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